

**1. Title**

Workers' Compensation Insurance and Unemployment Compensation Insurance  
Monthly Transfer of Funds

**2. Policy**

- Sec. 1 Purpose. The purpose of this Policy is to provide guidance for University of Texas System institutions concerning the remittance of Workers' Compensation Insurance Fund (WCI) and Unemployment Compensation Insurance Fund (UCI) monthly assessments.
- Sec. 2 Policy Statement. It is the Policy of the Board of Regents that a percentage of annual payrolls as approved by the Executive Vice Chancellor for Business Affairs shall be set aside to fund the WCI and the UCI.
- Sec. 3 Remittance of Assessments. Monthly WCI and UCI assessments should be remitted via The University of Texas Investment Management Company (UTIMCO) Client Participation System (CPS) to the U. T. System Office of Finance.
- Sec. 4 Premium Payment Date. As provided in the Board of Regents' *Rules and Regulations*, Rule 30202, each institutional chief business officer is responsible for the remittance of these monthly assessments by wire transfer, in immediately available funds, to this account no later than the Premium Payment Date, which is the 21st day of the next succeeding month (or the next business day if the 21st falls on a weekend or holiday).
- Sec. 5 WCI Assessment Rates. Annual WCI rates are based on 30% on historical payroll information, 50% on loss experience, and 20% on claim frequency to arrive at an annual assessment or premium for each institution. This premium rate is then applied to every \$100 of assessable wages. The monthly premium due is calculated by multiplying the current month's assessable wages by this loss experience rate.
- Sec. 6 UCI Assessment Rates. UCI assessment rates are based 20% on full-time equivalent (FTE), 60% on claim history, and 20% on paid claim count history. The monthly premium due is derived by applying the current assessable rate times the gross salaries and wages paid from all funding sources with the exception of work studies, up to the maximum reportable wages of \$9,000 per employee per calendar year effective September 1, 2003.

- Sec. 7 Claims Reimbursement. The amount requested for reimbursement will be based on claims as identified on the quarterly Texas Workforce Commission (TWC) fund source statement, C-58R-2, after the institutions' corrections to the statement have been made. Claims against General Revenue will be reimbursed at 50% and claims against Dedicated General Revenue and special appropriations will be reimbursed at 100%. The Office of Risk Management will compile all fund source information for the applicable quarter on the C-58-R Worksheets for all institutions and process one wire payment to the TWC.
- Sec. 8 Reporting. On or before the 19th of each month (or next business day if the 19th is a weekend or holiday), institutions are to send a Monthly Workers' Compensation Insurance Calculation Report (WC-3), a Monthly Unemployment Compensation Insurance Calculation Report (UC-3), and a Fund Transfer Report to the Office of Risk Management via email.
- Sec. 9 Payment Adjustments. Adjustments for overpayment or underpayment of WCI funds may be made in subsequent monthly transfers with appropriate entries being made on the WC-3 Form. Adjustments for overpayment or underpayment of UCI funds that occur in the first or second month within the same quarter may be made in subsequent UC-3 reports without submitting detailed information by entries being made on this report in the Prior Period Adjustment spaces. Adjustments made after an Employer's Quarterly Report has been submitted to the TWC must be accompanied by a TWC Wages List Adjustment Schedule Form (C-7).
- Sec. 10 Records Maintenance. Detailed information to support both WCI and UCI adjustments must be maintained at the institutional level to satisfy audit requirements.

### **3. Definitions**

Premium Payment Date - the date upon which monthly WCI and UCI assessments are to be remitted as provided in this policy, which is the 21st day of the succeeding month (or the next business day if the 21<sup>st</sup> falls on a weekend or holiday).

### **4. Relevant Federal and State Statutes**

[Texas Labor Code, Chapter 503, Section 503.001 et seq, Workers' Compensation Insurance Coverage for Employees of The University of Texas System and Employees of Institutions of The University of Texas System](#)

[Texas Labor Code, Chapter 205, Section 205.001 et seq, Elections to Become Reimbursing Employer: Reimbursements or Contributions by Governmental Entity](#)

**5. Relevant System Policies, Procedures, and Forms**

[Board of Regents' Rules and Regulations, Rule 30202](#)

[Monthly Workers' Compensation Insurance Calculation Report \(WC-3\)](#)

[Monthly Unemployment Compensation Insurance Calculation Report \(UC-3\)](#)

**6. System Administration Office(s) Responsible for Policy**

Office of Risk Management

**7. Dates Approved or Amended**

May 7, 2002

January 23, 2008

November 21, 2012